



NEWS RELEASE

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TWENTY INDICTED IN MOONSHINE CASE

United States Attorney Robert P. Crouch, Jr., Jeffrey R. Roehm, Special Agent in Charge of the Washington Field Division of the Bureau of Alcohol, Tobacco, and Firearms, and S.C. Curtis, Director of Bureau of Law Enforcement for the Virginia Alcohol Beverage Control Board, announced today that a federal Grand Jury sitting in Roanoke, Virginia, returned a 78-count indictment against 20 individuals, arising out of a nearly two-year investigation called Operation Lightening Strike. Operation Lightening Strike focused on the manufacture and distribution of untaxed liquor, popularly known as "moonshine." A copy of the indictment will be available on the ATF web site at www.atf.treas.gov.

The indictment names the following defendants, listed by place of residence:

Rocky Mount, VA: William Lewis Helms, age 54; William Gray "Dee" Stanley, age 55; Jason Brent Stanley, age 26; and William Kenneth Cobler, age 59;

Ferrum, VA: Ralph Dwan Hale, Sr., age 60; Judy Rakes Hale, age 47; Ralph Dwayne Hale, Jr., age 21; William Mitchell Hale, age 52; Barbara Ellen Hale, age 46; Benjamin Franklin Gearhart, age 63; and Autrey Lee Cooper, age 53;

Bassett, VA: Shirley Hale Whitlow, age 52;

Glade Hill, VA: Steven Allen Motley, age 43;

Burlington, NC: Ralph Woodrow Wilson, age 87;

Johnston County, NC: Ricky James Barefoot, age 45; Larry Fitch Clarke, age 69; Delmon Lee, Jr., age 60; and Graylon McLamb, age 55;

Philadelphia, PA: Leroy Marshall, age 52; and William Curtis Mosley, age 68. Both Marshall and Mosley had been previously indicted by the grand jury, but those charges were dismissed prior to the return of this indictment.

The indictment alleges that between 1985 and May 1999, Farmers Exchange, a small country supply store located in Rocky Mount, Virginia, knowingly supplied various moonshine operations with the sugar, jugs, and other supplies needed to make moonshine. Farmers Exchange was operated by William Helms and his brother Ramsey Helms (now deceased), and the sales of moonshine-related supplies comprised a majority of their business income. Between 1992 - 1999, Farmers Exchange sold over 12 million pounds of sugar to a number of individuals, yielding an estimated 1.4 million gallons of untaxed liquor and an estimated federal tax loss of \$19.6 million. Both Virginia and North Carolina also suffered significant tax losses, which has a direct impact on the local community that would have shared in the tax revenue of any liquor sold legally.

The indictment charges three specific moonshine operations that produced and distributed the largest quantities of untaxed liquor, alleging that these operations established clandestine distilleries and purchased untaxed liquor from other sources for distribution in Virginia, North Carolina, and Pennsylvania, and were headed by the following individuals:

- The Dee Stanley/Kenny Cobler operation, based in Rocky Mount, Virginia, is charged with the estimated production/distribution of 118,440 gallons of liquor from 1992-1999. The federal tax loss is estimated at \$1.6 million, and the Virginia tax loss is estimated at \$1.1 million.
- The Ralph Hale operation, based in Ferrum, Virginia, is charged with the production/distribution of 213,780 gallons of liquor from 1992-1999. The federal tax loss is estimated at \$2.9 million, and the Virginia tax loss is estimated at \$2.0 million.
- The Ralph Wilson operation, based in North Carolina, is charged with the estimated distribution/production of 149,424 gallons of liquor from 1992-1999. The federal tax loss is estimated at \$2.0 million, and the North Carolina tax loss is estimated at \$1.9 million.

The indictment further alleges that some members of these operations participated in laundering the illegal proceeds of untaxed liquor sales by further promoting the operations and by concealing the illegal proceeds by purchasing various properties and vehicles. As a result, the indictment also seeks the forfeiture of various assets and over \$7 million in forfeiture-related money judgments.

The specific charges include Conspiracy to Violate the Travel Act and to Produce and Receive Untaxed Liquor, and Travel Act violations, which each carry a maximum penalty of 5 years imprisonment and a \$250,000 fine; Conspiracy to Launder Money and Money Laundering violations, which each carry a maximum penalty of 20 years imprisonment and a \$500,000 fine; Untaxed Liquor violations, which each carry a maximum penalty of 5 years imprisonment and a \$250,000 fine; Perjury charges, which each carry a maximum penalty of 5 years imprisonment and a \$250,000 fine; and an Obstruction of Justice charge, which carries a maximum penalty of 10 years imprisonment and a \$250,000 fine. Any defendant found guilty on any charge will be sentenced in accordance with the United States Sentencing Guidelines.

The investigation of the case was conducted by the Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Service, the Virginia Alcohol Beverage Control Board, and the North Carolina Alcohol Law Enforcement. Assistant United States Attorneys Sharon Burnham and Craig J. Jacobsen will prosecute the case.

A Grand Jury indictment is only a charge and not evidence of guilt. The defendants are entitled to a fair trial with the burden on the government to prove guilt beyond a reasonable doubt.